

**VALLEY COMMUNITY DEVELOPMENT CORPORATION  
COMMUNITY INVESTMENT TAX CREDIT (CITC) PROGRAM**

**COMMUNITY INVESTMENT PLAN (CIP)  
JANUARY 2017 – DECEMBER 2019**

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***INTRODUCTION***

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Valley Community Development Corporation (Valley CDC) seeks to empower low and moderate income people and underserved populations manage and improve the quality of their lives. We accomplish this through the development of affordable housing, providing economic opportunities, and encouraging community leadership.

Since 1988, Valley CDC has developed 224 units of affordable rental and ownership housing; currently owns and manages 134 units of rental housing in Northampton, Easthampton and Amherst including 53 SROs; provided business technical assistance to well over 1500 local start-ups and existing businesses; assisted over 2800 homebuyers with pre and post-purchase counseling (including foreclosure prevention counseling); graduated more than 5,500 first time homebuyer class attendees; administered 14 different down payment and closing cost assistance programs and three mortgage subsidy programs; and helped 26 low income homeowners correct health and safety code violations in their homes.

All these activities help to cultivate economic self-sufficiency and promote community leadership.

Valley CDC's Board of Directors approved a five-year Strategic Plan in November 2015 for the period FY16-FY20 from which the three-year Community Investment Plan (CIP) is based.

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***SECTION 1: COMMUNITIES/CONSTITUENCIES TO BE SERVED***

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Valley CDC primarily serves low and moderate income households in the cities of Northampton and Easthampton and the Town of Amherst in Western Massachusetts. For many of its homeownership programs, Valley serves all Hampshire County cities and towns; for its Small Business Development Program, Valley serves most of the communities in Hampshire County.

The Hampshire County population of 159,795 resides in its 20 cities and towns in Western Massachusetts. Northampton, Easthampton and Amherst are the more urbanized communities in Hampshire County with a total population of approximately 86,000.

**City of Northampton**

The City of Northampton's population is approximately 29,000 people with a median household income of \$50,455 as compared to the Commonwealth's of \$64,081. Whites comprise 84% of the population; Hispanics 6.8%; Asians 4%; African Americans 2.5% and those who identify themselves with two or more races, 2.1%. The poverty rate for Northampton is 9.9%.



### The Town of Amherst

The Town of Amherst's population is over 36,000 with a median household income of \$49,187 as compared to the Commonwealth's of \$64,084. Whites comprise 76.7% of the population of Amherst; Hispanics 6.2%; Asians 9%; African Americans 4.7%; and those who identify themselves with two or more races, 2.7%. The poverty rate for Amherst is 20.2%.

### The City of Easthampton

The City of Easthampton's population is over 16,000 with a median household income of \$49,703 as compared to the Commonwealth's of \$64,084. Whites comprise 93.3% of the population of Easthampton; Hispanics 2.1%; Asians 2.7%; African Americans 1% and those who identify themselves with two or more races, .9%. The poverty rate for Easthampton is 8.9%.

Valley CDC primarily serves those households within our service area who are economically disadvantaged as well as underserved populations i.e., people of color, immigrants, etc. -- low and moderate income households earning below 80% of the area median income (AMI). The cities/towns in Valley CDC's target area are all located in the HUD Springfield Metropolitan Statistical Area (MSA).

Through our affordable rental developments, we serve individuals who are homeless, those with special needs i.e., mental health and substance abuse challenges, as well as individuals and families whose income is below 60% of AMI, along with many extremely low income households with incomes below 30% of AMI. Valley CDC owns 134 rental units in Northampton, Amherst and Easthampton; 53 of those units are SRO/ESROs. Through our Sustainable Homeownership Assistance and Small Business Development Programs, Valley CDC primarily serves those with incomes below 80% of AMI.

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## ***SECTION 2: INVOLVEMENT OF COMMUNITY RESIDENTS AND STAKEHOLDERS***

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### Development of the Plan

As part of the development of the 2014-2016 CIP, Valley CDC undertook the development of a five-year Strategic Plan (FY16-FY20). Community engagement has become a larger focus for the agency. Going forward for the 2017-2019 CIP, Valley CDC will continue expanding the engagement of community members in Valley CDC's work. The following are current engagement methods with plans for expansion:

#### Board, Committee, Staff Work

- ❖ Board of Directors (comprised of local residents and businesses)
  - the Board will continue to work on diversifying the Board composition through intentional activities overseen by the Governance Committee including responsibility for annual nominations to the Board
  - Governance Committee is responsible for overseeing the implementation of the Diversity & Inclusion Workplan as approved by the Board



- ❖ non-Board members on Valley CDC committees
  - Governance Committee will oversee additions to committees
  - Community Engagement Committee (created in February 2016), acting as an incubator, will be one tool to recruit future Board members
  - Continue to recruit Valley CDC tenants and consumers of our homeownership and small business services to committees
  - Reach out to CITC donors for interest in being more involved in the work of the agency i.e., Board, committees, advocacy work, etc.
- ❖ Valley CDC staff participation in outreach efforts with local nonprofit agencies, and community development partnerships and collaborations as well as involvement with local municipalities and state and federal legislators
  - Carry out activities with area agencies serving minority and low income populations as detailed in the Diversity and Inclusion Workplan
  - Attend meetings and join collaborations which strengthen ties to low income and minority communities
- ❖ Resident and business membership recruitment and involvement via annual meetings, annual appeals, fundraising events, property open houses, Facebook, Twitter, and website

As part of our FY2016-2020 Strategic Plan, the Board committed to:

- ❖ diversifying its membership
- ❖ increasing its role in community engagement
- ❖ creating a culture of continual improvement
- ❖ expanding the diversity of leadership and membership/constituents of Valley CDC
- ❖ engaging the Board and staff in discussions regarding power, inclusion, social and racial justice issues
- ❖ increasing the community engagement focus with the active engagement of members, constituents and other key community stakeholders in tenant and other affordable housing issues, and
- ❖ engage constituents in the work of Valley CDC

#### Community Engagement Committee

In February 2016, the Community Engagement Committee was created with tenants and others who had expressed interest in community engagement at the Community Summit held in February 2015. The initial gathering included three Valley CDC tenants; two Board members; two staff members and two community members at large.

Valley CDC will continue to enhance and grow its community engagement activities as described here and outlined in our Strategic Plan FY2016-2020:

- ❖ The Community Engagement Committee continues to build a community engagement strategy. The committee creates and coordinates, and implements several initiatives and activities each year with the goal of engaging a wider pool of Valley CDC tenants and consumers of our services; the wider

low income and minority communities; and the broader community. Initiatives may include organizing tenant meetings focused on building improvements or neighborhood beautification, participating in local hearings or other advocacy work, helping to determine new housing development, and planning community summits or other similar forums.

- ❖ This engagement is in alignment with Valley CDC's mission to empower residents to assume leadership roles and improve the quality of their lives.
- ❖ Valley CDC will provide leadership training for members, constituents, and other community residents and tenants to help them better engage in the work of Valley CDC.

Engagement of Valley CDC constituents (those that directly benefit from our programs) and residents/community members will continue to increase Valley CDC's ability to be more responsive to its community and expand its ability to increase community impact. We know community engagement can:

- ❖ increase organizational responsiveness to environmental changes
- ❖ increase the quality of governance and organizational decision-making
- ❖ develop new and emerging leadership for an organization
- ❖ increase financial sustainability
- ❖ increase organizational visibility

Valley CDC has accomplished a number of objectives outlined in the Strategic Plan for community engagement activities which have been reported to DHCD through the annual updates to the CIP.

#### Outcomes

The outcomes that Valley will focus on for the 2017-2019 CIP include:

- ❖ Members, constituents and other key stakeholders are actively engaged in community engagement activities and other meaningful roles within Valley CDC's programs and organization. Increased communication and interaction with Valley CDC's constituents and community members.
- ❖ After the limited success of an ice-cream social at one of Valley CDC family developments, the Community Engagement (CE) Committee is working on the development of a community gathering as one event in a year-long plan to celebrate Valley CDC's 30<sup>th</sup> anniversary for spring/summer 2017. As part of that event, the committee will work to ensure adequate participation from Valley's rental properties, other low income residents in the region as well as the general public.
- ❖ The CE committee also had the opportunity to review preliminary plans for the rehab/expansion of an SRO as presented by our real estate project manager. The committee expects to work with real estate staff to meet with SRO residents, members of the community as well as participate in the planning and funding processes within the City of Northampton.
- ❖ Valley CDC expects to provide leadership training for members, constituents and other community residents and tenants to help engage in the work of Valley CDC. We expect that work to start with the community engagement committee.

Another way that Valley has and will incorporate the needs of a variety of community residents and stakeholders into the CIP is based on a number of meetings held over the past year and that will continue over the three-year CIP period.



### Housing Partnerships/Committees

Valley CDC organized a joint meeting of the three area housing partnerships/committees in April 2016 to talk about regional housing issues as well participate in peer learning. The housing partnerships/committees are local citizens appointed by the Mayor or Select Board and range in size from seven to nine members and represent the local community around housing issues. Each of these communities have housing needs assessments and plans and look to Valley CDC to implement both the homeownership services and the affordable housing development activities in their communities. The April 2016 meeting was highly successful and the groups agreed they would like to meet annually. Valley CDC is currently in the planning stages to organize another meeting for April 2017. These three groups remain committed to the work of Valley CDC and by meeting with them regularly, we can continue to incorporate what we learn from each community into our work.

### Legislative Meetings

Valley CDC regularly conducts "Donuts with Delegates", an initiative of MACDC where we meet annually with our state and federal legislators to inform them of the work we do, to receive feedback from them regarding constituents, and to discuss and advocate for statewide legislative issues regarding community development work.

### Implementation of the Plan

Much of what is described throughout the CIP, is directly related to Valley CDC's FY16-FY20 Strategic Plan. Valley CDC's Strategic Plan was developed with the first CIP in mind and focused heavily on the community engagement aspects required under the CITC program.

The Strategic Plan reorganized Valley's committee structure; two new committees were formed including a governance and community engagement committee. The Strategic Plan was broken down into workplans and assigned to the various committees. The Governance Committee has overall responsibility to ensure that the committees are implementing their workplans. The work of the five committees, currently including seven non-board members, will ensure that the work of the Strategic Plan/CIP is implemented in a timely manner.

### Housing

As noted above, the local municipalities' housing partnerships/committees were created to review, recommend and encourage implementation of housing services for their community's low and moderate income households. Valley CDC will continue to utilize the Easthampton Housing Partnership, the Northampton Housing Partnership, and the Amherst Housing and Sheltering Committee in actively participating in housing activities of Valley CDC's CIP. Valley CDC will meet annually with the three groups to discuss and review housing activities in their communities.

Valley CDC also meets bi-monthly with our property management firm as well as the service providers who provide mental health, social and homeless services including finding housing for those individuals living in Valley CDC owned ESRO/SRO housing. Clearly these providers want to see Valley CDC develop more SRO housing for this population in our service area and we work collaboratively to ensure that tenants stay housed and the housing is well maintained.



### Small Business

Valley CDC, in collaboration with Franklin County CDC and Hilltown CDC, work to provide coordinated business counseling services to entrepreneurs and small businesses in the Hampshire, Franklin, North Quabbin and the Northern Berkshire region. Through the collaboration, we ask everyone that participates in our program to complete an annual evaluation. We use these evaluations to improve the way we deliver services and to alter our programs and services so they best serve the small business community.

As noted elsewhere, Valley CDC plans to expand its small business program services within years 2-3 of the CIP. We will work with our partners noted above to increase our part-time position to a full-time position with sufficient funds to support the work. As part of this process, Valley CDC expects that an economic development committee will be formed in year 2 of the CIP.

### General

Valley CDC will participate in Valley Gives Day on May 2, 2017, an online 24-hour fundraising event sponsored by the Community Foundation of Western Massachusetts. Valley CDC has worked with a local video firm to create four vignettes of individuals who have used Valley CDC's services and include two SRO tenants; a first-time homebuyer and a small business owner. These stories will be used to inform the community about the work we do and we expect they will be shown for the first time during Valley Gives Day. One of the participants is a member of the CE Committee.

In addition to maintaining a Facebook page, Valley CDC has utilized a Twitter account since 2014 where within the first three months we had a total of 128 followers. Currently we have 1,276 followers and includes area residents and businesses, local officials, and journalists. Our Facebook page has 397 likes. Valley CDC regularly communicates updates to programs, events, and activities through our website, Facebook and Twitter. Valley CDC has 4,250 active accounts on its Constant Contact email listing. We use this to distribute information about our homeownership and small business programs, rental housing availability, fundraising campaigns, Pedal Poker Run events, etc.

Membership outreach and recruitment are both an annual agency activity and an ongoing event. There are presently 237 members/donors who have donated in the past year. The agency sponsors an annual "Pedal Poker Run" bicycle event fundraiser where membership involvement and recruitment is stressed. The 6th Pedal Poker Run was held in October and approximately 160 riders participated in the event. We expect to grow the event both financially and through increased participation by 10% each year of the CIP Plan. Members are invited and encouraged to attend Valley CDC public events such as the agency's annual meeting, fundraising activities, homebuyer workshops, small business workshops, and agency sponsored open houses for affordable housing developments.



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### SECTION 3: PLAN GOALS

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#### Overall Vision from FY16-FY20 Strategic Plan:

*By FY20, Valley CDC will be a vibrant, highly recognized and visible CDC which is effectively carrying out its mission and meeting community needs. It will have an expanded geographic base which includes Franklin County and additional communities beyond its original target cities and towns in Hampshire County. The CDC will have expanded existing initiatives and developed new programs, including the development of additional affordable housing units within its larger geographic area.*

More specifically we expect to achieve:

- ❖ Valley CDC will have 150 new housing units, either developed or in the pipeline and will be recognized as the primary developer of affordable housing in its geographic area
- ❖ Valley CDC will have an expanded homeownership program serving over 650 households per year
- ❖ Valley CDC will have a Financial Opportunity Center that is providing financial literacy and job readiness skills in collaboration with Community Action
- ❖ Constituents and key stakeholders are fully engaged in helping to advocate for affordable housing and providing direction to the CDC's programs
- ❖ Valley CDC will have increased its budget to \$750,000, increased staff capacity, an increased number of individual and business donors, and will be located in larger, more accessible office space
- ❖ Increased staff capacity will include a full-time economic development director and a part-time development officer (fundraising)
- ❖ Valley CDC will have an active and inclusive board of directors that reflects the diversity of the communities it serves. All board members are actively engaged in fund development, political advocacy, and community engagement

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### SECTION 4: ACTIVITIES TO BE UNDERTAKEN

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All the activities described below will create and maintain diverse communities as well as create opportunities for lower income households by stabilizing housing costs through the provision of affordable housing, whether it is rental or homeownership housing; households will be able to build financial assets for their future through better financial planning, homeownership, or investment in their own business.

#### Homeownership Assistance Center

Valley CDC provides first time homebuyer counseling and education; down payment/closing costs assistance; post-purchase education; foreclosure prevention services; and marketing of affordable homes when opportunities arise. These services strengthen the financial assets of lower income households and allow them to remain in their communities of choice, thus contributing to the social, economic and racial diversity of their community. Services focused on households with incomes below 80% of Springfield AMI.



Expectations at the conclusion of the three-year CIP are that Valley CDC counsels approximately 175 first time homebuyers and existing homeowners and educates 475 households through CHAPA certified first time homebuyer courses, post purchase classes, and online classes annually. Outcomes include purchase of a home, budgeting, credit repair/improvement, debt reduction, loan modifications, refinancing, etc.

Currently, Valley CDC is working collaboratively with five HUD certified counseling agencies in WM for the implementation of a Western Massachusetts Homeownership Collaborative. The Collaborative expects to unveil a joint website within the next six months and our goal is to reach substantially more first time homebuyers through this platform.

Valley CDC will explore the implementation of a Financial Opportunity Center (FOC) model program that would provide financial literacy and job readiness skills in collaboration with Community Action, the local CAP agency.

### Development of Affordable Rental Housing

The focus is primarily rental housing in Northampton, Easthampton and Amherst that have strong downtowns, transportation options and community services. These activities include the preservation and creation of affordable housing which meet local and regional needs and that comply with the Commonwealth's Sustainable Development Principles. The provision of affordable rental housing in smaller, more financially stable communities outside of Springfield and Holyoke, takes pressure off these lower income communities and allows other communities to do their fair share in providing a variety of housing choices. Developing housing in "areas of opportunity" provide better outcomes for households who choose to live here. Valley CDC also focuses on using local general contractors, architects, and suppliers which strengthens the local economy by supporting local jobs.

#### Northampton Lumber Yard

Valley CDC was awarded funding in January 2017 for the development of a 55 unit affordable rental development with commercial space in downtown Northampton. Expectations are that construction begins in the fall of 2017 with occupancy in January 2019.

#### Hampshire Inn/82 Bridge Street, Northampton

Valley CDC is also in the predevelopment stage of a gut renovation and expansion of its property on Bridge Street in downtown Northampton. We will transform a 15 room SRO into a 31 unit Enhanced SRO. We expect to submit a One-Stop Application in the spring of 2018.

#### Amherst ESRO

We are also actively searching for property in Amherst for an Enhanced SRO (ESRO) that will accommodate anywhere from 20-30 units to address the need for ESRO housing to accommodate a growing homeless population as well as serve other low income individuals in Amherst.

#### Sunderland Senior Housing

Valley CDC is collaborating with the Franklin County Housing and Redevelopment Authority on a 34 unit senior rental development. Valley CDC is providing consulting services and has taken the lead in pulling a development team together. The Town of Sunderland has chosen our team.



### Small Business Development Program

Valley CDC will continue to provide its longstanding community economic development activities in Hampshire County. Valley CDC provides these services primarily through a collaboration with Franklin County CDC and Hilltown CDC which is funded by Mass Growth Capital Corporation (MGCC). Valley CDC also has a small CDBG contract with the City of Northampton to provide micro business services exclusively to those households with incomes at or below 80% of the Springfield AMI. Small business services through MGCC are primarily offered to households with incomes at or below 80% of the Springfield AMI.

As noted elsewhere, Valley CDC plans to expand its small business program services within years 2-3 of the CIP. We will work with our partners noted above to increase our part-time position to a full-time position with sufficient funds to support the work. As part of this process, Valley CDC expects that an economic development committee will be formed in year 2 of the CIP.

Valley CDC's expectations for the next three years includes business counseling for approximately 30 entrepreneurs/small businesses per year. Outcomes include startups of businesses, stabilization of businesses, creation of jobs, retention of jobs, expansion of businesses, acquisition of businesses, and assistance with accessing loans for businesses. When a full-time position is achieved, it is expected that 60 entrepreneurs/small businesses will be served each year.

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### *SECTION 5: HOW SUCCESS WILL BE MEASURED/EVALUATED*

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For many of the activities outlined in the 2017-2019 CIP/FY16-FY20 Strategic Plan, Valley CDC has developed workplans that have been assigned to the various Board committees. Committees are responsible for tracking their progress along with the executive director. The Governance Committee has overall responsibility for implementation of the workplans.

### Affordable Housing Development

Valley CDC's real estate project manager and real estate committee are responsible for developing a pipeline of 150 units of affordable housing in the next three years as detailed in the Strategic Plan. Progress reports will detail the development tasks achieved as the projects move through the development process and can include site control; due diligence tasks; awarding of predevelopment funding; funding awards; engagement of professional services; zoning approvals, etc.

Valley CDC also sets goals for its properties and/or residents which are evaluated at the end of the fiscal year. Some examples include:

- ❖ Individuals coming from a homeless situation will remain housed for at least a year
- ❖ 75% of tenants will pay their rent by the 10<sup>th</sup> of the month
- ❖ tracking race/ethnicity of our tenants to ensure adequate marketing within the region
- ❖ 100% of tenants have accessed decent/safe/healthy housing when entering Valley CDC housing
- ❖ Maintain less than 5% vacancy rate
- ❖ Property management company will conduct an annual resident survey



### Homeownership Assistance Center

Participants of first time homebuyer workshops complete evaluation forms. On the final night of the workshop, each participant is asked to complete a detailed survey about each session of the four-night workshop, including questions about the presenter, each instructor, and the location. The coordinator uses this feedback to adjust different aspects of the program. Evaluation content from the workshop is used to customize course materials and presentations to meet participants' learning needs and concerns. Speakers also receive feedback on the clarity of their presentations in response to participants' ratings.

Valley CDC also provides post-purchase classes twice a year and those participants are asked to complete evaluations at the conclusion of the one-day workshop. These evaluations are used to improve the workshop materials and presentations.

Valley CDC uses the database Salesforce to track consumers of our services (we use Salesforce for all tracking of consumers, donors, vendors, etc.) Through this tool, Valley CDC tracks everyone who uses our services, sets up an action plan, and tracks progress. This system allows staff to track the clients' characteristics and outcomes in order to measure the desired outcomes. Outcomes can include budgeting, reducing debt, improving credit, home purchase, refinancing, loan modifications, etc. We enter everyone who attends first time homebuyer workshops; first time homebuyers; first time homebuyers accessing down payment/closing cost assistance; existing homeowners; and existing homeowners seeking assistance with foreclosure prevention. Our goals are set with each funding source and so will vary year to year depending on funding sources. Individual funding source goals and results will be reported in the annual progress reports.

If after exploring the possibility of creating a Financial Opportunity Center (FOC) with Community Action, it makes sense to pursue funding for the FOC, success will be measured by the tasks developed by the team to achieve the implementation of the FOC.

### Small Business Development

Valley CDC uses Salesforce to track business clients. This tool allows us to track everyone who uses our business services and allows staff to track clients' characteristics and outcomes to measure the desired outcomes. Outcomes include number of businesses started, improved/increased revenue, jobs created, jobs retained, businesses purchased, loans accessed. Franklin County CDC as lead agency of our collaborative, also provides an annual evaluation form for all clients receiving services through the MGCC contract. Additionally, MGCC program staff randomly contact small business clients to assess service provision which is shared with Valley CDC.

Achievement of adequate funding to hire a full-time small business director, after a workplan developed by a newly formed economic development committee, will be a measurement of success.



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## *SECTION 6: COLLABORATIVE EFFORTS TO SUPPORT IMPLEMENTATION*

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### Statewide

Valley CDC is an active member in MACDC, the state-wide policy and capacity building arm of the community development movement. The Executive Director currently serves on its Policy Committee. Valley CDC participates in MACDC sponsored events such as Lobby Day, Donuts for Delegates, and annual meeting/convention. Valley CDC is also a member of CHAPA and its Massachusetts Homeownership Collaborative, an initiative managed by CHAPA that supports and promotes homebuyer education.

### Western Massachusetts

The Western Mass Collaborative of CDCs meets bi-annually to discuss issues specific to Western Mass. Active participation supports community development work in Western Massachusetts which directly impacts Valley CDC's ability to implement its programming through legislative and financial support.

Valley CDC is a member of the Western Mass Non-Profit Affordable Housing Developers facilitated by a steering committee. Valley CDC's executive director is currently a steering committee member. The group meets to share their accomplishments/goals/challenges, explores collaborations, define and prioritize needs for WM as well as takes the opportunity to meet state/federal officials involved with the creation/preservation of affordable housing. Continued active support in this collaboration strengthens the relationship between Western Mass and DHCD, MHP, CEDAC, etc. to ensure that our affordable housing needs are addressed at the state level.

Valley CDC is an active member of the Western Massachusetts Homeownership Collaborative which is comprised of five HUD certified counseling agencies. HAP Housing as lead agency, and with ongoing financial support from NeighborWorks America, the group is about to unveil a joint website. Along with better coordinated services in Western Mass and joint fundraising activities, the Collaborative expects to reach a broader group of potential first time homebuyers.

Valley CDC is also part of Western Mass Means Business (WMMB), a collaborative including Franklin County CDC and Hilltown CDC. The three agencies collaborate to provide more comprehensive services to entrepreneurs and businesses in Franklin and Hampshire counties as well as be more competitive for funding. The collaborative has been funded multiple times through Mass Growth Capital Corporation (MGCC), is currently funded, and expects to seek funding for FY18, again as a collaborative. As part of this collaborative, Valley CDC and Franklin CDC have been providing monthly entrepreneurial workshops at the Franklin/Hampshire Career Center for those who might consider self-employment as an alternative.

We are currently collaborating with the Franklin County Housing and Redevelopment Authority on a 34 unit senior rental development. Valley CDC is providing consulting services and has taken the lead in pulling a development team together. The team was recently chosen by the Town of Sunderland.

As part of our Strategic Plan, Valley CDC plans to work with Community Action!, the local CAP agency, in exploring the feasibility of establishing a Financial Opportunity Center (FOC) for Hampshire/Franklin



counties. The FOC model is an integrated service model with goals of helping families address common barriers to economic security by decreasing debt, increasing credit scores and increasing income/assets.

### Municipalities/Local

The Town of Amherst and the Cities of Northampton and Easthampton have conducted both economic and housing needs assessment reports for their communities. Valley CDC has been and continues to be involved with the various local departments, board and committees involved in these efforts. These communities, including mayors, city councils, select boards, housing partnerships, community preservation committees, etc. rely on Valley CDC to develop affordable housing in their communities as well as provide homeownership and small business assistance. Valley CDC expects continued support from these municipalities during the 2017-2019 CIP.

Valley CDC continues to coordinate a bi-monthly meeting of its Northampton property management contractor and homeless service providers in Northampton to ensure that tenants placed/housed at Valley CDC's SRO/ESROs have the best opportunity to maintain their housing as well as live as independently as possible. The organizations involved in these meetings include ServiceNet (operates homeless shelters and homeless drop in center as well as a mental health agency); Center for Human Development (provides an SRO Outreach Coordinator for Northampton); Elliott Mental Health Services (provides services specifically for the homeless mentally ill); and the local VA Agent.

Valley CDC collaborates with HAPHousing on larger affordable housing projects. Valley CDC has the expertise to handle the development tasks associated with affordable housing development. Because Valley is a smaller, thinly capitalized CDC, it does not have the capacity to meet the financial requirements of tax investors for the LIHTC program. Valley CDC partnered with HAP for its 38 unit rental development in Easthampton which was completed in August 2015. Valley CDC currently has an MOU with HAP for the development of the Northampton Lumber Yard site. As Valley CDC looks to develop additional rental housing, it will utilize the relationship with HAP or other potential partners for larger projects that might require low income tax credit investment.

These collaborations will continue to be strengthened and possibly new ones explored with the goal of always focusing on the benefits to low and moderate income households as Valley CDC works to implement the CIP successfully.

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## ***SECTION 7: INTEGRATION OF ACTIVITIES/CONSISTENCY WITH COMMUNITY STRATEGY AND VISION***

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### **Description of interaction and interrelationship of Plan activities to be undertaken**

Valley CDC assesses and responds to its service area's priority needs through the development and implementation of Valley CDC's Strategic Plan. Our most recent Strategic Plan for FY16-FY20 began with a community summit that brought together key stakeholders to help identify key community needs which provided input regarding Valley's strategic directions for the future. Participants included Valley CDC tenants and consumers of our small business and homeownership programs; Valley's Board and staff; municipal officials and other interested members of the community.



Valley CDC also reviews reports issued by municipalities including master plans, housing production plans, housing studies, sustainability plans, etc. to confirm it is meeting local housing and economic development needs as noted below.

**Description of how the Plan fits into a larger vision or strategy for the entire community and is consistent with other neighborhood, community or regional plans.**

Valley CDC's programs and activities increase the economic opportunities available to low and moderate income people in the community, which in turn creates a more stable local economy and a stronger, more diverse community. We strive to create solutions that are not only beneficial in the immediate future but also have long-term sustainability. In order to achieve these goals, Valley focuses on three areas of community economic development: the creation and preservation of affordable housing, small business development, and housing services including first-time homebuyer counseling and workshops, post purchase counseling and foreclosure prevention counseling. All these activities help to cultivate economic self-sufficiency and promote community leadership.

Valley CDC's programs and activities are consistent with our communities' visions, strategies and community and regional plans. The following are the most current examples of how Valley CDC's activities meet the needs outlined in these various plans:

**REGIONAL**

- **Pioneer Valley Regional Housing Plan, 2014** - Two of 13 objectives outlined in the Plan are increasing homeownership opportunities and enabling more housing choices outside of central cities through regulatory action.
- **"All Roads Lead Home": the Pioneer Valley's Plan to End Homelessness, 2008** – One strategy for decreasing homelessness is to not only to "increase affordable housing for extremely low-income households," but also expand affordable housing development "in the right areas" that are not heavily impacted by poverty but still allow access to public transportation. Valley CDC's primary target areas of Northampton, Amherst and Easthampton are "areas of opportunity".

**CITY OF NORTHAMPTON**

- **Northampton Housing Needs Assessment & Strategic Housing Plan, 2011** – This plan was created to build upon the broad housing principles and strategies outlined in the following referenced Sustainable Northampton Comprehensive Plan. The City has also created 40R Smart Growth Districts to promote affordable housing.
- **Sustainable Northampton Comprehensive Plan, 2008–2028** – Indicates that the "Provide Social Equity" guideline, which includes affordable housing, was to "support a diverse and integrated community where all residents have the opportunity to excel on a socially, economically and academic level and to lead independent and successful lives". Under affordable housing it specifically mentions "support a wide variety of housing types that increase rental and ownership units to create and preserve a range of affordability and choice in housing options". The guiding principle "Foster Economic Sustainability" for economic development activities is to "recognize that a diverse and vibrant economy is integral to a successful community and support business and job development that contribute to the community and the City's long term sustainability".



- **City of Northampton Five Year Consolidated Plan & Annual Action Plan FY15-FY20** for CDBG activities. Priorities include affordable housing, homeownership and small business assistance.
- **City of Northampton Community Preservation Plan 2016-2018** – The CPC Plan relies on the City’s Housing Needs Assessment and Strategic Housing Plan for community housing under the CPA.

#### **CITY OF EASTHAMPTON**

- **Community Development Strategy, 2012-2015** – Details affordable, safe and sanitary housing stock as a priority for the City’s future. Valley CDC works very closely with the Housing Partnership. The City has also created 40R Smart Growth Districts to promote affordable housing. It identifies the need for homebuying counseling and down payment and closing cost assistance. In the downtown and economic development section, the Strategy identifies the need for business growth and support for start-up and micro businesses.
- **Easthampton Master Plan, 2008** – The three overriding principles of the Plan include accessibility, diversity and sustainability. The housing section identifies first time homebuying counseling and down payment and closing cost assistance and the need for the development of affordable housing – both rental and ownership. The economic development section notes a need for increased financial and technical support for business, economic and workforce development in addition to the need to provide assistance and expertise for start-ups and micro businesses.
- **Affordable Housing Production Plan, 2014** – The City’s housing production goal over the next five years is to add 38 affordable affordable housing units annually. The City needs to add 303 affordable housing units to reach the 10% goal.

#### **TOWN OF AMHERST**

- **Master Plan, 2010** – Sustainability underlies the entire Master Plan with the focus being on diversifying and expanding the Town’s economic base. The housing section outlines housing needs and objectives. Strategies to promote affordability call out rental and homeownership housing. The economic development chapter identifies policies to support expansion of the Town’s economic base and provide further employment opportunities.
- **Comprehensive Housing Market Study – March 2015**. The study recommends more multi-family development and smaller-scale multi-unit housing to address Amherst’s unique housing needs.
- **Housing Production Plan – March 2013**. The plan states the Town’s overall housing goal is to provide a mix of housing that is affordable to the broadest possible spectrum. The plan identifies the development of rental housing for both families and individual/students as a priority need. The plan recommends the production of 150 units of family housing and 240 units that are affordable to income ranges from 80% AMI to <30% AMI to address unmet housing needs.
- **Community Development Strategy – 2017** - The housing section focuses on extreme need for non-student, low/moderate income, and permanent supportive housing including ESRO and ELI units for those transitioning out of homelessness. The plan references the Town’s Housing Production Plan. The economic development section stresses small business assistance.



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## *SECTION 8: FINANCING STRATEGY*

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### Overall Budget

Valley CDC has included a four-year budget (attachment). The FY17 budget is the Board approved budget which ends June 30, 2017. The following years' budgets of FY18, FY19, and FY20 rely on relatively conservative projections which have been reviewed and discussed with our Audit/Finance Committee during our Strategic Planning process, though we have made some revisions based on financial projections since October 2015. Our five-year Strategic Plan (FY16-FY20) was approved in October 2015. The Committee meets monthly and reports are included in bi-monthly Board packages. A more detailed discussion with the Board is held quarterly. We have included projections for the CITC program: \$150,000 in credits for calendar year 2017 (showing funds coming in both in FY17 and FY18); \$150,000 for calendar year 2018 (showing funding coming in both in FY18 and FY19; and \$150,000 for calendar year 2019 (showing funding coming in both in FY19 and FY20).

### CITC

Valley CDC is confident it has the capacity to implement its planned CIP activities with the additional funding provided by the CITC and housing development fees. Valley CDC has had successful CITC fundraising campaigns since it began in 2014. In 2015 Valley CDC utilized all its 2015 credits (\$100,000) and the remaining 2014 credits. In 2016 Valley utilized almost 70% of its allocation and is carrying over \$46,000 in credits into 2017. We expect our strong connections to donors – including financial institutions, individuals and small businesses – to continue through 2019. Valley CDC has created many new connections to the work we do through CITC. We maintain those relationships through an annual “thank you” casual cocktail party; invitations to annual meetings; and invitations to celebrate the funding of the Northampton Lumber Yard project and other open housing celebrations. Valley CDC feels confident it can continue to grow the number of donors, especially through CITC, who support the work of Valley CDC.

Valley CDC's Resource Development Committee has a CITC subcommittee. This subcommittee works with the executive director in plan development, making connections to donors, and joining in meetings/luncheons with potential donors, etc.

Valley CDC will be celebrating its 30<sup>th</sup> anniversary this year and has created several events over the coming year to celebrate its successes. This spring, Valley CDC will begin to solicit sponsorships and donations for the 30<sup>th</sup> anniversary events. These events will culminate in a gala event in April 2018 with a well-known speaker. Valley CDC expects that in requesting \$150,000 in credits for 2017, that it can raise \$300,000 + the remaining credits from 2016 in year 2017.

Our plan also includes the hiring of a part-time fundraising development officer in year two or three of the CIP to assist the executive director with fundraising.

### Federal Funding

Valley CDC has relied on a varied array of funding sources over the years and while some are fairly constant, many must be applied for annually and there is always some risk that some funding sources will



not come in annually. With the reductions in federal CDBG funding and the uncertainty of HUD funding under the new federal administration, Valley CDC expects to see further reductions and/or eliminations in funding from Northampton, Easthampton and the Town of Amherst. Valley CDC has been able to strengthen some of its funding by creating collaborations with other organizations in the region that is described under Section 6.

### State/Local Funding

The State Division of Banks has consistently provided funding for foreclosure prevention and first time homebuyer/homeownership counseling and we expect funding will continue at least through FY17-FY18. Local and regional banks and class registration fees provide funding for our monthly CHAPA certified first time homebuyer classes. Valley CDC is the only organization in Hampshire County providing this education. We continually work to maintain strong relationships with the banks and look to bring new banks into financially supporting Valley CDC's education program. During the past year, we were successful in developing financial relationships with Merrimack Mortgage/Harbor One Bank and First Niagara/Key Bank. In years 2017-2019, Valley will work to maintain current relationships, but grow the donation level.

Valley CDC expects to receive funding from the Mass Growth Capital Corporation to support its small business program. Western Massachusetts CDCs – including Franklin County CDC as lead agency, Hilltown CDC and Valley CDC – joined forces several years ago to strengthen the provision of small business services in the Franklin, Hampshire and North Quabbin regions. Valley CDC also received a Capital One grant to support its Small Business Program, and at this point it is not clear whether this is a one-shot contribution. Over the next year or two of the CIP, Valley CDC will be working on growing its economic development program to achieve a full-time director who can provide robust small business services in Hampshire County. We expect that our program growth will be coordinated with our existing collaboration with Franklin County CDC.

Valley CDC has been awarded a CPA grant from the Town of Amherst to support a mortgage subsidy program for first time homebuyers. This funding starting in FY17 and will continue through part of FY18. If successful, Valley CDC would look to have the program refunded in Amherst as well as approach other CPA communities for similar programming requests to support homeownership through down payment/closing cost assistance and/or mortgage subsidy assistance. The City of Easthampton has just released an RFP for FTHB counseling and financial assistance for down payments/closing costs. Valley CDC will be responding by the deadline of March 2, 2017.

### United Way Funding

Valley CDC is a United Way agency and has consistently received funding for more than 20 years. Valley CDC is currently applying for a new three-year grant. Valley CDC is fairly confident that it will continue to be funded for the support of its housing development program.

### Pedal Poker Run Event

Valley CDC also sponsors a unique and fun fundraising event - Valley CDC's Pedal Poker Run. It's an outdoor bicycle event on the local bike path and roadways of rural WM. We are entering our 7<sup>th</sup> year and have scheduled the event for October 2017. We expect to continue to grow the event as another way to



raise money and to support the work of Valley CDC. Valley CDC expects to grow the funds raised by 10% each year as well as grow the participation level by 10%.

### Developer Overhead/Fees

Housing development overhead/developer fees play a major role in the finances as is evidenced in the projected budgets. As has been mentioned previously, we were recently funded for our Northampton Lumber Yard project. Construction is expected to begin in the fall of 2017.

Other projects in the pipeline include the gut rehabilitation and expansion of a 15 room SRO into a 31 unit Enhanced SRO. We expect to submit for One-Stop funding in the spring of 2018 with awards in summer 2018. We have also been working as consultants for a Franklin County non-profit on the development of a 34 unit senior housing development; the team was recently selected as the developer. We are also actively looking for a property to accommodate an Enhanced SRO in Amherst. We have not included any developer overhead/fees from the SRO rehab/expansion, senior housing or Amherst ESRO developments in our projected budgets.

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## *SECTION 9: HISTORY, TRACK RECORD AND SUSTAINABLE DEVELOPMENT*

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### Valley CDC's History of Past Practices/Approaches to Proposed Activities in the CIP

Valley CDC has provided its community development activities in its service area for almost 30 years. Since its inception, Valley CDC has focused its activities on the creation and preservation of affordable housing; and the provision of homeownership and economic opportunities. The need as demonstrated by various reports (both local and regional), visions and strategies described and referenced in the CIP, continues to confirm our work.

Valley CDC's Board of Directors is a guiding force for the organization. Valley CDC has the active participation of all Board members in bi-monthly Board meetings, participation by every Board member on at least one committee; and full participation in Valley's signature fundraising event held in October – the Pedal Poker Run. Eighty-nine percent (89%) of Board members donated to the agency in the year ending 6/30/16. Our goal is always 100%.

Since 1988, Valley CDC has developed 224 units of affordable rental and ownership housing; currently owns and manages 134 units of rental housing in Northampton, Easthampton and Amherst including 53 SROs; provided business technical assistance to well over 1,500 local start-ups and existing businesses; assisted over 2,800 homebuyers with pre- and post-purchase counseling (including foreclosure prevention counseling); graduated more than 5,500 first time homebuyer class attendees; administered 14 different down payment and closing cost assistance programs and three mortgage subsidy programs; and helped 26 low income homeowners correct health and safety code violations in their homes.

Valley CDC has a proven track record of bringing affordable housing projects in on time and within budget. Our most recently completed project -- Parsons Village in Easthampton -- was completed on time and below budget in August 2015. This demonstrates our continued ability to carefully design and budget our affordable housing projects.



Our homeownership services are well recognized in Hampshire County and our first-time homebuyer classes, held once a month, are consistently full. We have the support of mostly local banks which co-sponsor the monthly events with us. We consistently counsel 150+ households annually with many positive outcomes and graduate approximately 300 individuals annually from our classes.

Valley CDC staff is well equipped to implement the tasks as outlined in the CIP. The executive director has been with Valley CDC for over 19 years. With the success of the CITC Program, Valley CDC was able to hire a highly skilled real estate project manager in May 2016. She is responsible for developing a viable pipeline as well as ensure the successful completion of the housing projects. Our homeownership coordinator has over 14 years' experience with foreclosure prevention counseling as well as other homeownership programs. Before joining Valley CDC in October 2012, she spent 10 years at HAPHousing in Springfield. Our director of small business development has over 40 years of business experience. He has been with Valley CDC since 2005. Valley CDC has a fulltime CFO and he has been with the agency for 17 years. Our communications specialist who handles marketing and social media, has been with Valley CDC since July 2015. We also engage the services of a consultant who facilitates our highly successful first time homebuyer workshops.

#### *CIP Consistency with the Commonwealth's Sustainable Development Principles*

Valley CDC has historically complied with the Commonwealth's Sustainable Development Principles when developing its affordable housing. Any housing developments that cues up in its pipeline, complies with these principles. Valley CDC's most recently completed project, which went into service in August 2015, is highly energy efficient. The project includes 12 inch walls and a mini-split heating/cooling system and part of the energy is supplied by PV. The site is an infill site, in an existing neighborhood with sidewalks, on a bus route, near the bike path and within ½ mile to downtown Easthampton. The 4.3 acre site with 38 housing units includes a community building, open space, a playground and a covered bicycle rack. Valley CDC chose a local architectural firm general contractor.

Our most recently funded development is located in downtown Northampton and will provide 55 units of affordable rental housing with commercial development on the first floor. This site is a redevelopment of a local lumberyard that closed after many years in business. It is a fabulous location for affordable housing. It is less than ¼ mile from the new Amtrak service; less than ¼ mile from both local and regional bus service including Greyhound and Peter Pan service; and within walking distance to the bike path, shops, services and employment. Our architectural firm is well versed in green development and development adjacent to rail lines. The site plan includes both active and passive playground/green space for residents and the wider community. The development conforms to the Commonwealth's Sustainable Development Principles by concentrating development/mixing uses; protecting open space by redeveloping existing sites; expand housing opportunities for low/moderate income households, offer access to various forms of transportation as well as employment opportunities in downtown Northampton.

Valley CDC's approach to the planned activities in the CIP are very similar to its historical services to the community. What has changed over time has been our increasing commitment to sustainable development in our housing projects. We are still committed to assisting low income households to build personal wealth by educating folks around credit, debt, possible homeownership, and small business development. Within those counseling sessions, consumers are educated around sustainability including costs of rural vs. in-town living; utility costs and special programs available i.e., MassSave; transportation options; commuting costs, etc. Valley CDC looks forward to continuing and expanding those services to the community as new information surfaces.